

29 OCT 1965

MEMORANDUM FOR THE RECORD

SUBJECT: H.R. 4845 - Automatic Data Processing, passed Senate

1. H.R. 4845, which adopts a centralized management concept for automatic data processing equipment used by Federal agencies, passed the House on 2 September 1965. It passed the Senate, without amendment late in the afternoon on 22 October 1965, the last day of the first session. The Senate's action was completely unexpected. The Senate Committee did not hold hearings on the bill. Rather, Senator McClellan, Chairman of the Government Operations Committee, resorted to a unique procedure of polling the Committee membership in order to bring the bill out and report it on the floor on 22 October 1965.

2. The enrolled bill vests ADP management authority in the Administrator, GSA. It is an amendment to the Federal Property and Administrative Services Act of 1949 from which the Agency enjoys statutory exemption. For the purpose of this amendment only, however, all exemptions under the Act are nullified. The enrolled bill authorizes the Administrator to grant exemptions for national defense and national security reasons. His decisions are also subject to review and decision by the Bureau of the Budget.

3. While our views were not solicited by either BOB or the Committee, we transmitted a report to the House Committee via BOB, referencing the Administrator's authority to grant exceptions; citing the Director's statutory authority to protect intelligence sources and methods from unauthorized disclosure; and recommending a statutory exemption for CIA to eliminate any possible statutory conflict.

4. Although the House Committee, under the "camel's nose under the tent" theory, was against any statutory exemption, they were sympathetic to our problem and accordingly emphasized in their Committee report that national security must not be compromised and that agencies with intelligence or secret responsibilities must maintain their security in line with appropriate Federal statutes. The Committee felt that the President would assure that the administrative exemption authority in the bill would be used to protect intelligence agencies.

5. The President has not yet signed the bill; however, BOB expects that he will approve the bill. While BOB has maintained that many of the bill's provisions are unnecessary, they are particularly pleased with the provisions authorizing the establishment of a revolving fund to support ADP pools and centers and authorizing the Secretary of Commerce to initiate a research program on computer sciences and the congressional statement of policy on the importance of improving ADP management.

6. The legislative history of the bill strongly supports an exemption by GSA for CIA. Likewise, officials of both BOB and GSA have indicated that this would be done. Accordingly, if the bill is approved by the President, as expected, we shall contact GSA and BOB to work out the exemption arrangements.



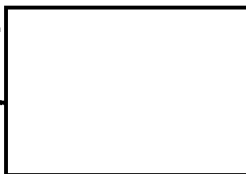
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